



NEC EUROPE LTD

Modern Slavery and Human Trafficking

Statement 2023

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This Modern Slavery and Human Trafficking Statement (the "**Statement**")¹ is published by NEC Europe Ltd, and refers to the requirements of Section 54 of the Modern Slavery Act 2015 ("**The Act**").

The Statement covers the organisation structure², business and supply chain of NEC Europe Ltd, its subsidiaries and branch offices, including NEC (UK) Ltd. (collectively "**NEC Europe**", "**We**" or "**Us**").

The Statement outlines the steps that We have taken during the Financial Year that ended 31st March 2023 ("**Reporting Period**") to prevent any form of modern slavery and human trafficking from occurring within our organisation and supply chain.

About NEC Europe Ltd

NEC Europe Ltd³ ("**The Company**") is the regional headquarters of the NEC Group in the UK, and a wholly owned subsidiary of NEC Corporation⁴, a global provider of technology products, services and solutions headquartered in Japan.

The principal activity of the Company is the purchase and supply of systems, components, professional services and software as an integrated solutions provider for high performance computing and telecommunications applications. Further information on our activities can be found on our website⁵.

We are signatory to the United Nations Global Compact ("**UN GC**") and are committed to the 10 principles⁶. We are also a member of the UN GC Network UK⁷.



The NEC Group

The NEC Group consists of various companies headed by NEC Corporation, including all NEC companies referenced in this Statement. It is focused on solutions for society businesses that utilize the strengths of ICT to create the social value of safety, security, fairness and efficiency to promote a more sustainable world where everyone has the chance to reach their full potential.

The NEC Group is currently recognised by EcoVadis as a leader in responsible business practices among global businesses, with a Platinum rating. This rating places NEC at the top 1% of all companies surveyed by EcoVadis⁸.

The NEC Group ESG Databook can be found on our website⁹.

¹ We published our first Modern Slavery Statement in 2016 and this is our eighth statement

² https://www.nec europecareers.com/content/NEC_in_your_Country

³ <https://uk.nec.com/>

⁴ <https://www.nec.com/>

⁵ <https://uk.nec.com/>

⁶ <https://www.unglobalcompact.org/what-is-gc/mission/principles>

⁷ <https://www.unglobalcompact.org.uk/>

⁸ <https://www.nec.com/en/global/csr/management/evaluation.html>

⁹ https://www.nec.com/en/global/sustainability/pdf/esg_data2023.pdf. This report covers the consolidated fiscal years that ended March 31, 2020, 2021, 2022 and 2023, unless otherwise noted.

Governance

NEC Europe has a “zero-tolerance approach” for any form of modern slavery including forced or compulsory labour, servitude, slavery and human trafficking which are some of the most severe forms of human rights violations. Managing the risk of these violations is essential for our business and for our stakeholders, including our employees, customers and suppliers.

Senior Management of our Procurement, Sustainability and Human Resources review the implementation of modern slavery and human rights policies continuously within the organisation and external supply chain. They report modern slavery and human rights matters to the Board of Directors for appropriate review and relevant actions with the aim of ensuring that We maintain a reputation for high standards of business conduct and good governance.

The Board of Directors of NEC Europe Ltd reviews and approves the Statement which is signed by the President and CEO of the Company on behalf of the Board.

Progress from previous years

Our progress in the Reporting Period remained consistent with initiatives described in previous Statements.

Annual Sustainability policy review

We have reviewed our Sustainability policy and reaffirmed our continual commitment to identify and remedy negative impacts of our business requests and activities including modern slavery, child and forced labour issues.



Responsible Business Conduct in Supply Chains

Our key strategic partners and approved suppliers have confirmed their understanding that the principles described in the NEC Group Guidelines for Responsible Business Conduct in Supply Chains¹⁰, or equivalent requirements, are minimum requirements for continued business relationship with us. We have sought to engage further with some of our candidate suppliers to understand their potential challenges and to reach a compromise with a level of compliance no less than those required by applicable laws. We have also launched a Decision Making support tool, created through collaboration between several departments to support NEC internal decision-making when faced with multiple potential supply partners. This tool contains references to modern slavery.

On-site audits

The on-site audits and visits that We have conducted have not identified signs of forced labour.

¹⁰ https://www.nec.com/en/global/purchasing/data/en2_sc_csr_guideline_4e.pdf

Training and awareness for our organisation

We have led training and awareness initiatives on due diligence for our purchasing specialists and other relevant members of staff. This annual eLearning provided an overview of the risks of labour exploitation in supply chains.

Beyond legal compliance

We have reaffirmed the positive impacts of inclusion and diversity within our organisation and our stance against discrimination and other forms of abuse through a variety of company talks, events, communications and literature.

Engagement with peers

We have supported the UN Global Compact Network UK and contributed to peer reviews of modern slavery statements. We have also participated in a number of human rights events organised by the UN Global Compact and other organisations.

Key Performance Indicators

We have reviewed the relevance of our Key Performance Indicators and used them to monitor progress over time.

Organisation structure, business and supply chain

The companies covered by this Statement are listed in *Figure 1*. Other NEC Group Companies not listed in *Figure 1*, may publish a statement themselves or be covered by the NEC Group Modern Slavery Statement as applicable.

Figure 1

| In UK | In the European Union |
|---------------------------------|--|
| NEC Europe Ltd NEC (UK) Ltd. | NEC Deutschland GmbH; NEC Eastern Europe KFT.; NEC Finland OY; NEC France S.A.S.; NEC Iberica S.L.; NEC Italia S.p.A; NEC Laboratories Europe GmbH; NEC Nederland B.V.; NEC Portugal Telecomunicações e Sistemas, S.A. and NEC Scandinavia AB. |

Our organisation, business and supply footprint is summarised in *Figure 2*.

Figure 2

| Principal country of operation ¹¹ | Holding by NEC Europe | Contribution to NEC Europe Group Profit (Adjusted, £m FY22) | % of employees (NEC Europe total) | % of number of managed suppliers ¹² (NEC Europe total) |
|--|-----------------------|---|-----------------------------------|---|
| United Kingdom | 100% | (0) | 35 | 24 |
| France | 100% | 2 | 2 | 5 |
| Netherlands | 100% | 1 | 10 | 7 |
| Germany | 100% | 2 | 27 | 28 |

¹¹ Fixed Asset Investment in active operation

¹² Sample based candidate partners

| | | | | |
|----------|------|-----|----|----|
| Spain | 100% | 1 | 10 | 8 |
| Portugal | 100% | (0) | 3 | 5 |
| Italy | 100% | (0) | 6 | 15 |
| Sweden | 100% | 2 | 3 | 5 |
| Hungary | 100% | 1 | 4 | 3 |

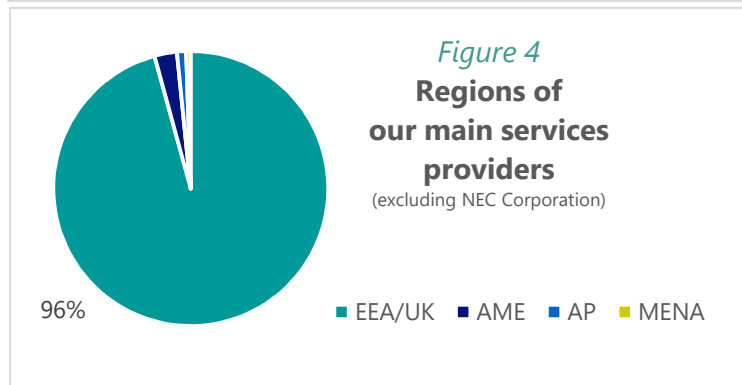
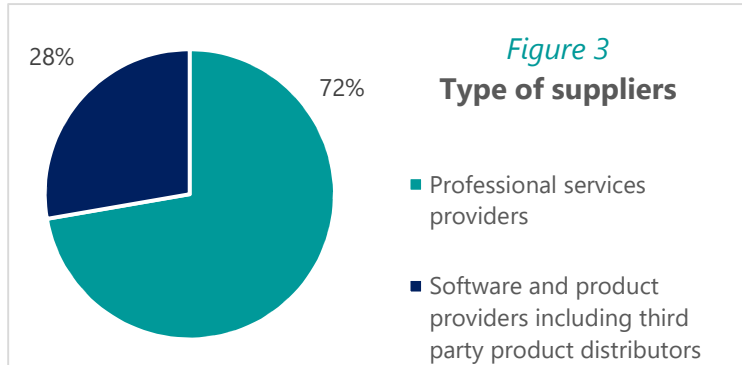
Our largest operations outside the UK are located in the European Union. We are engaged mainly in a variety of B2B activities focused on business development, sales and marketing, and customer support to private and public organisations, including governments and local authorities, as well as research and development.

Most of our suppliers are local professional services providers, including consultants and advisors, from small to medium size or global reach (Figure 3) with regional offices in the European Economic Area ("EEA")/UK (Figure 4).

We don't engage in manufacturing activities ourselves.

In the Reporting Period, we have sourced about 90% of our manufactured products from our parent company, NEC Corporation and other NEC Group Companies¹³.

We have purchased the remaining 10% of our software, systems, products or components ("technology") mainly from third party product distributors, predominantly located in UK, Germany, Spain and Italy.



Policies in relation to slavery and human trafficking

Our approach to addressing modern slavery and human trafficking risks sits within NEC Corporation's wider Human Rights agenda for the NEC Group.

NEC Group Policies

The NEC Group has placed the respect for human rights as one of the Principles of the NEC Way¹⁴ and also in the NEC Group Code of Conduct¹⁵, which clearly states that each and every NEC Group officer

¹³ Please refer to the NEC Group's Modern Slavery and Human Trafficking Statement: <https://www.nec.com/en/global/csr/modernslavery/index.html>

¹⁴ <https://www.nec.com/en/global/about/the-nec-way.html>

¹⁵ https://www.nec.com/en/global/about/pdf/necway/nec_code_of_conduct.pdf

and employee needs to comply with these principles.

In addition, the NEC Group upholds the United Nations' (UN) International Bill of Human Rights¹⁶, the International Labour Organization (ILO) Core Labour Standards, the UN Guiding Principles on Business and Human Rights (UNGP), the Organization for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises, the Ten Principles of the UN Global Compact¹⁷ and other internationally recognised national laws and regulations in the relevant region.

The NEC Group Human Rights Policy¹⁸, which states that where national laws in the relevant jurisdiction conflict with internationally recognized human rights we will seek ways to respect the principles of internationally recognized human rights, applies to all officers and employees of the NEC Group, including fixed-term contract employees, temporary employees, and part-time employees.

The NEC Group also encourages its suppliers, business partners, and customers to understand this Policy and share our commitment to respecting human rights. Furthermore, suppliers are required to comply with the "NEC Group Procurement Policy"¹⁹ and "Guidelines for Responsible Business Conduct in Supply Chains"²⁰

The NEC Group's Modern Slavery and Human Trafficking Statement can be found here: <https://www.nec.com/en/global/csr/modernslavery/index.html>

NEC Europe Policies

NEC Europe is committed to conduct its business ethically and act on its corporate responsibility to identify and help mitigating and preventing the risks of child labour, forced labour and human trafficking to the best of NEC Europe's abilities.

In addition to complying with the Policies of the NEC Group mentioned above, We have several human resources procedures and processes in place that integrate provisions in relation to modern slavery for employees, businesses partners, suppliers and other parties. We announce, communicate and explain new policies to our staff by internal means of communication such as our intranet, compliance communications and training.



We provide guidance to employees on the high standards of professional and ethical conduct expected of them. The fair treatment of our people, the encouragement of dialogue and collaboration with our stakeholders are also promoted as part of the NEC Way and Code of Conduct.

NEC Europe aims to contribute to the progression of respect for human rights in society, compliance

¹⁶ It refers collectively to the Universal Declaration of Human Rights, the International Covenant on Economic, Social and Cultural Rights and the International Covenant on Civil and Political Rights which were adopted by the UN General Assembly.

¹⁷ NEC has been a member since 2005. The Ten Principles of the UN Global Compact are based on global agreements such as the Universal Declaration of Human Rights and ILO's Declaration on Fundamental Principles and Rights at Work and include items such as support for the protection, maintenance and respect for human rights, eradicate forced labour and ban child labour.

¹⁸ https://www.nec.com/en/global/csr/pdf/human_rights_en.pdf

¹⁹ <https://www.nec.com/en/global/purchasing/renshiki-a2.html>

²⁰ https://www.nec.com/en/global/purchasing/data/en2_sc_csr_guideline_4e.pdf

with global requirements and the pursuit of sustainable and ethical procurement activities with the cooperation from its supply-chain partners.

Human resources employment policies

The provisions of the various employment and labour policies are managed by Human Resources.

We purposely place ethical requirements on NEC employees to comply with these policies, in order to demonstrate that all employees have a role to play in respecting human rights and tackling modern slavery.

Human resources policies cover the following provisions in relation to modern slavery:

Freedom of workers to terminate employment; freedom of movement; freedom of association; prohibition of any threat of violence, harassment, and intimidation; prohibition of the use of worker-paid recruitment fees; of compulsory overtime; of child labour; of discrimination; of the confiscation of workers' original identification documents; and the provision of access to remedy, compensation, justice for victims of modern slavery.

We recognise the importance of helping our employees to balance their work and home life.

Other key policies

The scope of our other key policies includes sustainability, health and safety and the provision of a safe environment.

These policies are reviewed by senior management and agreed by the managing directors of our subsidiaries, as appropriate, on an annual basis.

Our sustainability policy reaffirms our commitment to identify and remedy negative impacts of our business requests and activities including modern slavery, child and forced labour issues.



Beyond legal compliance

- We don't wish to encourage employees to work excessive hours.
- Flexible smart working arrangements are in place where applicable.
- We promote work life balance and provide several wellbeing opportunities to our staff.
- We are committed to the principle of Equal Opportunity in employment.
- Our sustainability policy is communicated within a specific related section on the intranet and is also displayed in our offices where applicable.

We make additional procedures accessible to our staff on our intranet, including but not limited to dealing with emergency response, the provision of a safe and healthy environment, responsible procurement, speaking up and risk assessments.

Due diligence process in relation to slavery and human trafficking in our business and supply chain

We engage internally, undertake due diligence, dialogue with our partners and other NEC Group

companies to establish whether the human resources and labour management, procurement, and other operational processes of subsidiaries and business partners comply with international standards and legal requirements.

We support third party checks and the requests of our customers as applicable when they require disclosure of our practices. We report the results to the Board of Directors of NEC Europe, and We take corrective actions as necessary.

Our business

It is important that We have the confidence that our workers are employed in compliance with all applicable laws and regulations.

Employment, labour, vetting practices, health and safety

Working conditions and labour related matters are managed by line managers and human resources. .


In previous years, We conducted a survey which confirmed the human resources policies in place within our organisation to respect human rights and anti-slavery legislation. Our due diligence has confirmed that our recruitment process is fair and compliant with all applicable international/national standards and legislation, and that We comply with regulations including working hours and minimum wage. We also have in place risk assessments on wellbeing, with provisions covering working hours. We prevent illegal working both as part of eligibility screening checks for any new employee in NEC Europe and then on a continual basis. These checks are based on the mandatory provision of documentation compliant with applicable law. Employees are provided with pay-slips and the relevant amount, net of statutory deductions, is paid timely to their elected bank account.

Health and safety representatives are appointed where appropriate. Responsibilities for the provision of a safe environment are identified, allowing for the promotion of the health and safety of our employees, subcontractors and other stakeholders including visitors.

Whistleblowing - Speaking up

An internal Whistleblowing Committee led by senior managers from Human Resources, Finance, Sustainability, Legal and Compliance is appointed to review, oversee, and monitor our whistleblowing program.

Our whistleblowing program comprises safe, confidential and simple conduits for speaking up, the investigation of whistleblowing reports, the implementation of remedial actions, and the protection of employees from retribution in case they raise a concern about human rights issues.

| | |
|--|---|
|  | Business-level grievance mechanisms in place to address modern slavery |
| <ul style="list-style-type: none">▪ We use Safecall as our third party confidential reporting line.▪ In the Reporting Period:<ul style="list-style-type: none">▪ Safecall was used but no claims relating to modern slavery were made. We always follow up any claim with an investigation.▪ We have continued to clarify and promote the use of Safecall along other methods of reporting concerns within our organisation.▪ A specific section of our intranet is dedicated to information about Whistleblowing and Safecall.▪ Workers in our operations can raise concerns including about modern slavery through our normal reporting process for grievance or through Safecall, by email, phone of the Safecall platform. | |

Our supply chain

Responsible corporate behaviour and ethical sourcing through procurement are necessary for sustainable business.


We strive to make this approach clearly known to our suppliers in our dealings and communications.

Responsible sourcing and supplier management

As part of our supplier management process, We are committed to "**responsible sourcing**" which for Us includes never participate, knowingly or unknowingly in any form of child, forced or bonded labour and to never encourage or be complicit to unethical procurement including through our sourcing practices. Our approach to responsible sourcing and planning is founded on the NEC Group Responsible Procurement approach²¹.

The NEC Europe team in charge of evaluating the compliance of suppliers to our requirements includes members of procurement, sustainability and finance. This team is experienced in understanding the risks in our sector of activity, and are trained to recognise potential red flags of unethical behaviour²².

In the Reporting Period, We have developed a Decision Making support tool, created through collaboration between several departments to support NEC internal decision-making when faced with multiple potential supply partners



Decision Making Support Tool

Our process for internal decision includes identifying red flags such as:

- Does the supplier operates in a country with particular exposure to labour risks and/or modern slavery?
- Are there financial/commercial indicators that suggest there may be a risk of modern slavery in the supply chain of the supplier?
- Does the supplier display signs of excessive stress or nervousness to close the deal?
- Is the supplier insisting to provide hospitality, gifts etc.?
- Is there any sign of forced excessive overtime?

In order to establish positive and sustainable relationships with our partners and suppliers, We expect them, as a minimum, to comply with all applicable laws, regulations and international standards covering modern slavery and other social, environmental and safety performance elements, to respect human rights and understand the principles of the NEC Group Guidelines for Responsible business Conduct in Supply Chain. We require our suppliers to confirm their compliance at pre-selection stage and at regular intervals during their partnership with us. Through these regular checks, We aim to establish the supplier's level of awareness in identifying, preventing and mitigating the evolving risk of forced labour within its own organisation and supply chain.

We only accept candidate suppliers after having performed due diligence. We also use an electronic compliance tool which informs Us about potential commercial and reputational risks pertaining to certain candidate suppliers. We engage with our suppliers to obtain visibility of their supply chains beyond first tier where relevant.

²¹ <https://www.nec.com/en/global/purchasing/sustainable.html>

²² The ILO has produced a list of the most common signs of forced labour.

Pre-selection due diligence

This due diligence includes a desktop review of their practices using a supplier questionnaire that We have developed internally based on the requirements of our business, a check of documented evidence such as the existence of policies, information on their website and code of conduct, of their modern slavery statement published on the UK Government Modern Slavery Statement Registry as applicable, and a benchmark against available country risk factors²³ media information, the international context and other sources²⁴.

Ongoing due diligence

Any inactive supplier is deselected after 2 years, and submitted to a full review of their business practices before reactivation.

Every year, We select about 10% of our strategic partners and approved suppliers with whom We have long term long-term relationships and review their continual compliance to our responsible sourcing requirements, legal changes or new trends.

If concerns are raised during supply chain management reviews or visits, for example if there is a lack of clarity in the management of the supplier's own subcontractors, We take further measures, such as requiring the completion of a specific questionnaire designed to identify possible red flags of forced labour. We also increase our communication and frequency of our audits.



Key points of our candidate supplier questionnaire

- Make-up of the candidate supplier's supply chain as applicable.
- Working conditions of workers.
- Prohibition of any direct/indirect participation to human rights abuses (child, forced labour ...).
- Acceptance of our Code of conduct or application of recognised third party code of conduct.
- Payment of at least the minimum wage in accordance with national laws, regulations and collective agreements.
- Prohibition of illegal wage restriction or deduction.
- Prohibition of the payment of any type of recruitment fees by job candidates to obtain or retain employment.
- Management of working hours and vacation periods in accordance with national laws, regulations and collective agreements.
- Respect of the rights to freedom of association and collective bargaining where applicable.
- Prohibition of any kind of direct or indirect discrimination including during human resources processes, processes to avoid discrimination.
- Commitment to notifying NEC immediately should the supplier become aware of a human rights or modern slavery incident.

Relationships with suppliers

We recognise the importance of a good relationship with our approved suppliers in order to promote transparency and address potential concerns in our supply chain more efficiently. As part of an ongoing global risk-based approach, We have re-confirmed the compliance of 60 approved key partners to the NEC Guidelines for Responsible Business Conduct in the Reporting Period. These key partners provide

²³ For example, a country that has not ratified the ILO fundamental conventions or has a weak record of implementation.

²⁴ For example, the Transparency International Corruption Perception Index and other reports by Non-For-Profit organisations.

technology and professional services.

Declaration of Responsible Business Conduct

Taking into account the key partners that We have already reviewed in the last two Reporting Periods, We have now assessed a total of 208 approved suppliers representing 95% of our annual procurement spend²⁵. They have confirmed legal compliance with labour, other human rights, health and safety requirements, and the requirements of the NEC Group Guidelines for Responsible business Conduct in Supply Chain.

The terms and conditions on our purchase orders in the provision of technology and / or professional services to Us include requirements of compliance with relevant legislation and policies, including without limiting health and safety, modern slavery and human trafficking.

Where applicable, We include back to back compliance requirements, whereby suppliers undertake that their sub-suppliers will comply with provisions equals to those set out by NEC Europe. We also provision for unannounced on-site inspections (if during business hours, they will be conducted without disruption to supplier's business practice) at supplier's premises, or constructions/installation sites, or other locations where work is carried out as part of the supply to NEC Europe. We encourage our subsidiaries to support our supplier management process by developing their own additional due diligence initiatives where relevant, taking into account other country-specific requirements.

Further information on the NEC Group due diligence process in relation to slavery and human trafficking in its supply chain is provided in the NEC Group Modern Slavery and Human Trafficking Statement²⁶.

Supplier audits with social elements

We expect our selected partners and suppliers to meet our conditions of supply throughout the duration of our relationship with them, and We expect their support in reporting serious incidents (and any corrective actions necessary) to Us in a timely manner.

Where We identify candidate suppliers as potentially representing a higher risk in terms of health and safety considerations (these are expert specialists in their field), We require them to undertake an audit which evaluates the safety and working conditions in their organisation and their sub-contractors where appropriate.

On-site audits represent a snapshot in time and include interviews of suppliers' senior management and employees, as well as workplace visits. These announced audits are performed by qualified third parties and / or NEC auditors. Comprehensive action plans are drawn up with our suppliers to address any non-compliance, and We collaborate to help them make improvements.



Example of checks during supplier audits

- Adequate clothing and personal protective equipment provided free of charge as applicable.
- Records of required professional training up to date.
- Validity of professional licenses.
- Workers are not forced to work excessive long hours over long periods.

²⁵ Excluding NEC Corporation and other NEC Group Companies

²⁶ <https://www.nec.com/en/global/csr/modernslavery/index.html>

Supplier audit results

Our qualified third party auditor conducted 218 unannounced health and safety on-site audits across the Reporting Period, also checking modern slavery red flags. He also conducted three workplace visits, reviewing more specifically the management of staff, training and equipment. These audits and visits haven't identified signs of forced labour.

Reporting incidents and obligation to remedy

We have continued to make our external confidential reporting line, Safecall, available to our suppliers in the context of their relationship with Us. Suppliers can report any concerns relating to potential human rights breaches in such context via Safecall or via an internal responsible business contact option.

Where our approved suppliers have responsible business conduct obligations in their contract, our contractual process includes an obligation to remedy any noncompliance in the appropriate timeline.

We acknowledge that remediation can take many forms and will depend on the noncompliance or deviance from the principles contained in the "NEC Group Guidelines for Responsible business Conduct in Supply Chain".

In extreme cases, We reserve the right to disengage responsibly or to terminate any relationship in place with a supplier, where a supplier refuses to remedy a serious noncompliance or deviance.

In the Reporting Period, We didn't have to take any measure of disengagement against suppliers for reasons of forced labour or other human rights breach.

We have not received claims of modern slavery through Safecall or through our grievance system, or any other system, within our organisation and supply chain, in the reporting period.

Parts of our business and supply chain where there is a risk of modern slavery taking place and steps taken to assess and manage that risk

Our business

We think of our people as key to the success of our business. We also believe that communication and dialogue play an important role in identifying risks of potential exposure to modern slavery.

Most of our workers are professionals or administrative workers in the UK or European Union. There is no seasonality to working patterns.

The senior Management at NEC Europe have regular meetings and report key decisions back to the individual teams. In addition, during the annual European Forum, employee representatives interact with the management and have further opportunity to raise questions related to pan-European issues, on behalf of the employees, which are then addressed by the Management during the same event and, as relevant, through dedicated follow up.

We organise regular employee engagement surveys, and their results are analysed including for

continual improvement.

We also consult with employees on company processes, for example on day-to day health and safety working conditions informally and through working groups or committees.

HR professionals ensure labour conditions and laws are observed.

We are aware that the risks of modern slavery are dynamic, can evolve over time and can be connected to broader labour trends and other economic, politics and environmental issues that affect humans and the planet.

We monitor regulatory changes, as well as other changes affecting our operational context, such as potential links between forced labour and the climate crisis in context of the social changes needed to move to a low carbon economy, or the coronavirus response legacy, by using information software, engaging with peers and participating to conferences and webinars.

Our supply chain

We submit all our suppliers to our due diligence process, with some variance between technology suppliers and service suppliers. The process is broadly similar between these two types of suppliers, but takes into account the difference in activities and annual spend. We have not identified significant differences in terms of modern slavery risk for either types of suppliers.

We refer to resources including Walk Free Global Slavery Index and world events to further understand modern slavery risk in our supply chain.

Technology suppliers

As previously explained, we have sourced the majority of our manufactured products from our parent company, NEC Corporation and other NEC Group Companies, and we have purchased the remaining 10% of our technology mainly from third party product distributors, predominantly located in the EEA. Our engagement with our technology suppliers, their staff and managers, our due diligence and the review of the suppliers' monthly reports to Us where applicable, has not revealed particular risk of modern slavery.

Service providers

Figure 5 (below) shows the activity sectors of the services that NEC Europe procures from time to time.

We are particularly attentive to services that belong to sectors that the GLAA²⁷ has identified as at particular risk of labour exploitation, such as cleaning, warehousing and logistics.

We only trade with a very limited number of cleaning, warehousing and logistics providers with a good reputation in their field, mainly located in the EEA/UK, with whom we maintain regular contact. Cleaning and security services only apply to our offices. Our relationships with these suppliers tend to be medium to long term, and don't represent risks of modern slavery.

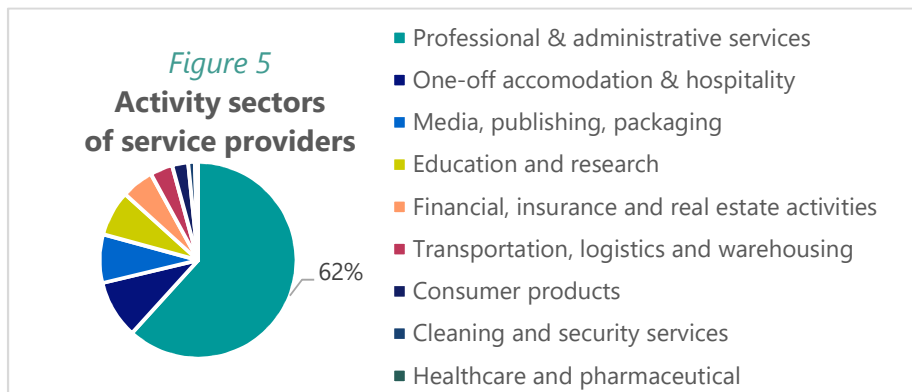
We use employment agencies only after required standards are validated.

²⁷ Gangmasters & Labour Abuse Authority. <https://www.gla.gov.uk/publications/labour-exploitation/>

Our due diligence for our professional service providers has not identified particular modern slavery or forced labour risk in the Reporting Period.

In addition, We have not been approached

by NGOs²⁸ in relation to modern slavery or forced labour concerns.



In general, in the event that We would identify or suspect a potential higher risk in modern slavery or forced labour in our supply chain, We would consider what measures would be required to mitigate such risk. Such measures may include expanding the scope and type of our on-site audits.

If the reason for lacking documentation is that the supplier doesn't have guidelines in place, We support them to understand the NEC Group Responsible Business Guidelines, as necessary. When the supplier doesn't meet the requirements, We examine their own practices in further detail.

Our analysis of risks of modern slavery in our business and supply chain

- The nature of our business activities and the make-up of our supply chain didn't place Us particularly at risk of modern slavery within our organisation and supply chain in the reporting period.
- Based on our assessment, other checks, audits and reference to the 11 ILO Indicators, We estimate the exposure to forced labour, human right risks and other risks of the candidate partners and suppliers that We have reviewed in the Reporting Period as "low" (98%) to "moderate" (2%). "Moderate" only occurred when there was an initial lack of documented information available on a supplier process, which could then be clarified by the candidate supplier.

Effectiveness in ensuring that slavery and human trafficking is not taking place in our business and supply chain

The importance of compliance and responsible business behaviour is promoted by the President and CEO of NEC Europe and the senior management of NEC Europe through a variety of internal initiatives and the use of internal communication tools.

We measure the effectiveness of our initiatives against Key Performance Indicators ("**KPIs**") that We consider appropriate for our business and our supply chain. Based on the result to these KPIs We consider that the processes that We have in place to prevent slavery and human trafficking from taking place in our business and supply chain are effective. We provide a sample of these KPIs at the end of the Statement.

²⁸ Non-Governmental Organisations

Training and capacity building

By training, We mean the wide range of initiatives that We have implemented to increase the knowledge and skills of our staff to improve the identification, assessment and prevention of failure of responsible business conduct, including modern slavery and breach of human rights, and NEC Europe's associated standards.

Senior leadership at NEC Europe drives a culture of responsible behaviour. The President of NEC Europe and senior management promote this culture through a variety of internal initiatives (such as themed talks and meetings) and the use of internal communication tools (intranet, display screens, emails and newsletters). Our policies support the embedment of the respect for human rights and zero tolerance of modern slavery within our organisation.

Our business

We strive to upscale the awareness of all staff through awareness activities in connection with sustainability and human rights, and We make information about slavery and human trafficking available on our intranet, including this Statement. We also promote know-how and best practices via internal newsletters, emails and initiatives.

We organise an annual eLearning on sustainable procurement. This Reporting Period, it covered:

- labour exploitation in the supply chain;
- a review of the laws and initiatives impacting supply chains including human rights due diligence;
- the background of requirements for a modern slavery statement;
- an explanation on how to prevent forced labour in the supply chain;
- instructions about spotting the signs of modern slavery and forced labour based on the ILO indicators of Forced Labour; and
- an explanation of child labour and of the issue of conflict minerals.

We achieved 96% of participation.



Training and awareness for our organisation

- We provide an induction to our workers and subcontractors, explaining our way of working and culture.
- We train our procurement team and extended users on recognising the signs of modern slavery.
- We provide personal protective equipment as fit for their roles.
- We promote compliance as the fundamental basis of our activities through "compliance day" and other communications.
- Risks and opportunities are discussed during management reviews which involve a balanced representation of staff and management.
- We encourage feedback to continually improve our management systems and performance.
- We are attentive to improve our practices by learning from peers to progress on our Sustainable Development Goal Ambition pathway.
- We promote our Company culture through a variety of internal initiatives (such as themed days, talks and meetings) and the use of internal communication tools (intranet, display screens, emails and newsletters).

Our supply chain

We have sought to educate our direct suppliers on our responsible business conduct expectations by sharing relevant policies and engaging with them on sustainability issues where appropriate.



Training and awareness for our supply chain

- We have used health and safety audits as further opportunities for capacity and awareness building, where We can foster more sustainable business relationships through dialogue and concerted action with our suppliers.
- We monitor suppliers on an ongoing basis to ensure they are meeting standards.

Stakeholder engagement

We have taken inputs from our customers, suppliers, employees, experts and peers to better understand societal expectations and evolving requirements with regards to human rights and modern slavery.

We don't have trade unions in our organisations, but We engage with labour councils.



Engagement with peers

- We are engaged within the UN Global Compact Network UK and have contributed to peer reviews of modern slavery statements. We found these peer reviews very useful.
- We have also participated to a number of human rights and corporate responsibility events or webinars organised by the UN Global Compact, Tech UK and other organisations such as the Japanese Business Council in Europe.
- We support our customers in their request regarding our compliance to modern slavery requirements.
- We consult with our employees on company processes, for example on day-to-day health and safety working conditions informally and through committees.

Looking ahead, Our plan in the Financial Year ending 31st March 2024

Through the Financial Year ending 31st March 2024, We will continue to:

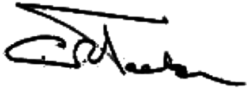
- Publish our statements on recognised websites that promote the fight against modern slavery and human trafficking as appropriate.
- Exercise vigilance and strengthen human rights due diligence especially in a wider context where relationships between health, social and environmental issues may create further pressure in the wider supply chain potentially increasing risks with regards to working conditions.
- Continue to bring together forced labour, wider human rights and other corporate sustainability topics such as environmental due diligence using the feedback received to develop further joined actions for improved responsible business conduct and due diligence.
- Facilitate the identification of flags of modern slavery for those who visits suppliers.

- Use our new decision-making support tool where applicable.
- Participate in a number of human rights events, remain a Member of the UN GC Network UK and endorse the Ten Principles of the UN GC.

This Statement was approved by the Board of Directors of NEC EUROPE LTD on 28 September 2023.

Signed on the same day

Chris Jackson
President and CEO

A handwritten signature in black ink, appearing to read 'Chris Jackson', positioned below the printed name and title.

Key Performance Indicators

| Progress Goal | Result in the Reporting Period 2022 | Result Reporting in the Period 2023 |
|---|--|--|
| <p>Policies</p> <p><i>Embed respect for human rights and zero tolerance of modern slavery within our organisation and throughout the supply chain.</i></p> | <ul style="list-style-type: none"> Implemented a process to review regularly the extent of the compliance framework of our employment processes. Checked if these processes were working during internal audits and ISO certification audits. All purchasing specialists participated to working group sessions on ethical supply chain management led by the procurement team. About 50 workers including general staff involved in the procurement process through the course of their normal activities participated to a series of awareness meetings on different aspects of responsible business conduct, including due diligence and the risks associated with slavery, forced and child labour. 90% of all staff received instructions to sustain responsible supply chain practices and requirements. | <ul style="list-style-type: none"> Supported this embedment through the communication of policies and sustainability initiatives using our intranet. Achieved a participation rate of 96% among staff to an eLearning that included an explanation of the International Labour Organisation (ILO) indicators of forced labour and the identification of modern slavery red flags. Reported compliance to the Directors on a quarterly basis. Introduced a decision making tool to support internal decision-making when faced with multiple potential supply partners with incorporation of red flags on modern slavery. |
| <p>Due Diligence</p> <p><i>Use of Safecall and other grievance mechanisms.</i></p> | <ul style="list-style-type: none"> Confirmed access and use of Safecall. Plans designed included actions to prevent reoccurrence and support remediation of any type of recorded claims. | <ul style="list-style-type: none"> We have not received any forced labour claims through the normal reporting process or Safecall. Promoted Safecall through our new Intranet. |
| <p>Risk assessment</p> <p><i>Progress in confirming compliance and the risks of forced labour in our organisation</i></p> | <ul style="list-style-type: none"> Strengthened our supplier selection process to reach across the wider NEC organisation and purchase pool of suppliers. Clarified to any worker who engages in procurement activities our requirements in their relations with suppliers. Ongoing monitoring of suppliers to ensure they are meeting standards and follow up on any of the responses to verify what the new supplier has stated. Contractual process including references to responsible business conduct where applicable. Conducted about 100 health and safety audits of existing suppliers, taking the opportunity of these audits to survey the number of working hours performed by their workers. Some of these audits were conducted remotely due to COVID-19. Engaged with suppliers on human rights, modern slavery and other responsible business conduct such as capacity building discussions | <ul style="list-style-type: none"> Conducted regular self-assessments of our activities to ensure our commitment stay true to the requirements of the Ten Principles of United Nations Global Compact including in human rights. Integration of the recognition by EcoVadis as one of the criteria to become an approved partner or supplier where relevant. Our qualified third party auditor conducted 218 unannounced health and safety on-site audits across the Reporting Period, also checking modern slavery red flags, and conducted three workplace visits, reviewing more specifically the management of staff, training and equipment. These audits and visits didn't identified signs of forced labour. |

| Progress Goal | Result in the Reporting Period 2022 | Result Reporting in the Period 2023 |
|---|---|---|
| <p>Effectiveness</p> <p><i>Status of exposure to modern slavery risks</i></p> | <ul style="list-style-type: none"> ▪ Reviewed the risk exposure of all new suppliers to forced labour against legal human rights requirements and other agreed requirements. ▪ 94% of our annual procurement spend providing critical hardware or services to NEC Europe or on behalf of NEC Europe confirmed that they either complied with the NEC Group Responsible Business Guidelines or that they had similar guidelines in place. ▪ 100% of the service providers that We used for occasional temporary labour or contract work complied with our sourcing process. | <ul style="list-style-type: none"> ▪ In the Reporting Period, our requests for compliance were met, and We did not take any step to disengage with existing suppliers ▪ Confirmed information provided by suppliers by engaging through discussions with their staff and by reviewing their monthly reports ▪ Have now re-confirmed a total of 208 approved suppliers representing 95% of Our annual procurement spend. ▪ Assessed about 300 new suppliers against an internal self-assessment sheet which has been developed taking into account legal requirements, other agreed requirement and takes into account the 11 ILO indicators, as well as recognised International Standards. ▪ Based on our analysis, We believe that our exposure to modern slavery risks in our operations and supply chain remained low in the Reporting Period. |
| <p>Training</p> <p><i>Data pertaining to our online Code of Conduct training is above 90%.</i></p> | <ul style="list-style-type: none"> ▪ Invited 100% of our new recruits to take part to the Code of Conduct training, achieving 100% participation rate. This eLearning includes reference to human rights, modern slavery and how to raise concerns in confidentiality. | <ul style="list-style-type: none"> ▪ 100% of new recruits were invited to take part to the Code of Conduct training and induction led by the human resources department. |
| <p>Stakeholder engagement</p> <p><i>Publish Statements on recognised websites that promote the fight against modern slavery and human trafficking as appropriate</i></p> | <ul style="list-style-type: none"> ▪ Exercised vigilance and strengthened human rights due diligence in a wider context where relationships between health, social and environmental issues may create further pressure in the wider supply chain potentially increasing risks with regards to working conditions. | <ul style="list-style-type: none"> ▪ Participated in a number of human rights events, remained a Member of the UN GC Network UK and endorsed the Ten Principles of the UN GC. ▪ Published our Statement on our website and on the UK modern slavery statement registry. |